

## Message Text

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ACTION NEA-10

INFO OCT-01 EA-07 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07

L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

AGR-05 COME-00 TRSE-00 EB-07 AID-05 /081 W

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R 151103Z JUL 76

FM AMEMBASSY KATHMANDU

TO SECSTATE WASHDC 5685

INFO AMCONSUL HONG KONG

AMEMBASSY NEW DELHI

USLO PEKING

C O N F I D E N T I A L KATHMANDU 3051

E.O. 11652 XGDS-4

TAGS: PFOR PINT PINS EAGR NP

SUBJ: KING PROPOSES SYSTEM EXPERIMENTAL OF COLLECTIVIZED

AGRICULTURE

1. A SOURCE WHO WORKS IN THE PALACE RESEARCH UNIT (JANCH BOOCH KENDRA) HAS CONFIRMED RECENT RUMORS THAT THE KING HAS PROPOSED AN EXPERIMENTAL SYSTEM OF EXPANDED COOPERATIVES WHICH WOULD, IN EFFECT, COMMUNIZE AGRICULTURAL PRODUCTION IN FIVE OF NEPAL'S 75 DISTRICTS.

2. ACCORDING TO THE SOURCE HIS MAJESTY RETURNED FROM HIS RECENT VISIT TO CHINA CONSIDERABLY IMPRESSED BY THE AGRICULTURAL OUTPUT OF CHINESE COOPERATIVE FARMS IN TIBET AND HAS ORDERED A STUDY OF WHETHER SIMILAR METHODS OF COLLECTIVES COULD RAISE PRODUCTION IN NEPAL'S NORTHERN DISTRICTS. ALTHOUGH THE SOURCE REPORTS THAT NO DECISION HAS BEEN TAKEN TO IMPLEMENT THE PROGRAM, ANOTHER SOURCE OF PROVEN RELIABILITY HAS SAID THAT THE KING HAS ALREADY APPROVED THE PROGRAM AND GIVEN ORDERS TO DRAW UP IMPLEMENTATION PLANS. THE PROGRAM IS SLATED TO BE TRIED IN FIVE DISTRICTS, PROBABLY IN MUSTANG AND DOLPO WHERE CONDITIONS ARE SIMILAR TO THOSE IN TIBET. THE SECOND SOURCE REPORTS THAT ALL AGRI-

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CULTURAL LAND WILL BE NATIONALIZED AND PEASANTS WILL BE GIVEN

A SHARE IN THE COLLECTIVE. A SYSTEM OF GOVERNMENT-OWNED COOPERATIVES WILL PURCHASE THE OUTPUT AND PROFITS WILL BE DISTRIBUTED TO THOSE HOLDING SHARES IN THE COLLECTIVE.

3. COMMENT: SUCH A RADICAL DEPARTURE FROM NEPAL'S SYSTEM PRIVATE OWNERSHIP COULD POSE SECURITY PROBLEMS IN THAT PEASANTS OF TIBETAN STOCK CAN BE EXPECTED TO FLIGHT ANY PROGRAM WHICH EFFECTIVELY REMOVES THEIR CONTROL OVER THE LAND.

THE POLITICAL IMPACT ON PEASANTS THROUGHOUT THE REST OF THE COUNTRY WOULD ALSO BE SEVERE. POSSESSION OF LAND IS SO FUNDAMENTAL A VALUE IN NEPALESE PSYCHOLOGY AND CULTURE THAT EVEN A PROXIMATE THREAT TO PRIVATE LAND RIGHTS COULD SERIOUSLY UNDERMINE POPULAR SUPPORT/TOLERANCE OF THE CROWN. WE FIND IT INCREDIBLE THWAT THE KING COULD BE OBLIVIOUS TO THIS FACT. IT IS THEREFORE POSISIBLE THAT, THE PROGRAM WILL FOCUS ON THE EXTENSIVE REACHES OF PRESENTLY UNTILLED LAND AND COMMUNAL GRAZING GROUNDS WHICH MAKE UP A LARGE PART OF THESE SPARESLEY POPULATED NORTHERN DISTRICTS, WITH LANDLESS OR OTHERWISE SURPLUS LABOR MOVED IN TO FORM THE COLLECTIVE PERSONNEL. SUCH AN APPROACH, IF WORKABLE ON FIGHTING DEFORESTATION AND ON INCREASING-AGRICULTURAL PRODUCTION. IT IS THEREFORE FAR MORE BELEIVABLE THAN A PROGRAM OF OUTRIGHT EXPROPRIATION OF EXISTING FARM PLOTS. ASIDE FROM THE EXPROPRIATION ISSUE, THE QUESTION REMAINS OF WHAT COULD BE DONE ON THE COLLECTIVIZED LANDS. GIVEN THE POPULATION PRESSURE IN NEPAL, UNTILLED LAND IS ALMOST BY DEFINITION UNTILLABLE UNDER THE EXISITING LEVEL OF TECHNOLOGY. MASSIVE INPUTS OF TECHNOLOGY MIGHT MAKE AN EXPANSION OF FIELD CROPS POSSIBLE, BUT IT IS HARD TO SEE HOW THE COST-BENEFIT RATIO COULD BE FAVORABLE, AT LEAST IN STRAIGHT ECONOMIC TERMS. LACK OF WATER, PARTICULARLY IN MUSTANG AND DOLPO, SEEMS AN INTRACTABLE PROBLEM. SCIENTIFIC HERDING AND/OR HORTICULTURE MIGHT PROVE MORE FEASIBLE. THUS, IF THE COLLECTIVIZATION AVOIDS EXISTING HOLDINGS, AND IF THE INTRODUCTION OF MODERNIZED METHODS IS ECONOMICALLY FEASIBLE, BOTH RATHER HEROIC ASSUMPTIONS AT THIS POINT, WHAT AT FIRST GLANCE APPEARS TO BE A DISASTROUS BLUNDER COULD WELL TURN OUT TO BE A BOLD AND IMAGINATIVE STROKE. GIVEN THE SEVERITY OF NEPAL'S DEMOGRAPHIC AND AGRICULTURAL PROBEL, BOLD MEASURES

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ARE CERTAINLY CALLED FOR. THERE IS NO INFORMATION ON WHEN AND HOW THE KING INTENDS TO ANNOUNCE THS PROGRAM, BUT WE ASSUME THAT CONSIDERABLE PREPARATION WOULD BE REQUIRED. MAYTAG

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, AGRICULTURAL PRODUCTION, POLITICAL SITUATION, LAND REFORMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 JUL 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ElyME  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976KATHMA03051  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** X4  
**Errors:** N/A  
**Film Number:** D760273-0026  
**From:** KATHMANDU  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760756/aaaabwyw.tel  
**Line Count:** 111  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION NEA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ElyME  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 21 MAY 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <21 MAY 2004 by woolflhd>; APPROVED <15 SEP 2004 by ElyME>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** KING PROPOSES SYSTEM EXPERIMENTAL OF COLLECTIVIZED AGRICULTURE  
**TAGS:** PFOR, PINT, PINS, EAGR, NP  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006